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7 *Counsel for Interested Party Edelson PC*

8 **UNITED STATES BANKRUPTCY COURT**  
9 **CENTRAL DISTRICT OF CALIFORNIA – LOS ANGELES DIVISION**

10  
11 In re:

12 THOMAS V. GIRARDI, d/b/a/

13 ↘ GIRARDI KEESE ↗

14 *Debtor.*

21022  
Case No. 2:20-bk-~~20122~~-BR

[Chapter 7]

**INTERESTED PARTY EDELSON P.C.'S  
STATEMENT REGARDING MOTION  
OF PETITIONING CREDITORS FOR  
APPOINTMENT OF INTERIM  
TRUSTEE PURSUANT TO 11 U.S.C.  
§ 303(g)**

Date: January 5, 2021

Time: 2:00 p.m.

Location: Courtroom 1668

Hon. Barry Russell

255 East Temple Street,  
Los Angeles, California 90012

1           1. Interested party Edelson P.C., (“Edelson”) is a creditor of the debtor, and  
2 successor counsel that now represents Gabriel and Angela Abikzer, former clients of  
3 the debtor and the plaintiffs in the matter of *Abikzer v. City of Los Angeles, et al.*, No.  
4 B706830, pending in Los Angeles County Superior Court.<sup>1</sup>

5           2. Edelson does not take issue with, and indeed agrees with the relief  
6 requested in the emergency motion for an appointment of an interim trustee (*i.e.*, that  
7 an interim trustee should immediately be appointed to preside over the bankruptcy  
8 estate. (Dkt. 12.)

9           3. Edelson makes this statement only to correct for the record certain  
10 misstatements about Edelson that were made in the emergency motion for  
11 appointment of an interim trustee (the “Emergency Motion”).

12           4. The Emergency Motion states (at page 12) that “competitors of GK” are  
13 seeking to “divert sums owing to GK,” and as an example, it states that “Edelson now  
14 challenges GK’s right to payment, and has even directed the defendant in that case,  
15 the City of Los Angeles, to pay the portion owed to GK directly to Edelson.” (Dkt.  
16 12: 19-21.) The only evidentiary support for the statement is the Declaration of Paul  
17 Cody, who states that he is “informed and believes” that assets may be diverted from  
18 the estate. (Dkt. 14, ¶ 41.) And, of course, the plain language and import of the  
19 statement is that Edelson is seeking to appropriate the fees that GK would claim is  
20 owed to them on account of the representation of the Abikzers.

21           5. The above statements and accompanying insinuation that Edelson is  
22 seeking to recover the attorneys’ fees that are subject to GK’s engagement agreement  
23 with the Abikzers are inaccurate. Edelson has at all times maintained, and continues  
24

25  
26 <sup>1</sup> The retention agreement, wherein Edelson PC was retained to be the exclusive  
27 counsel for the plaintiffs in that case and related matters, was executed on December  
11, 2020, which was before this involuntary bankruptcy action was initiated. (*See*  
Declaration of Rafey Balabanian (“Balabanian Decl.”), attached hereto, at ¶ 2.)

1 to maintain, that the portion of the settlement between the plaintiffs and the City of  
2 Los Angeles that GK would have claimed is subject to the engagement agreement  
3 between them and the Abikzers and thus owed to GK as attorneys' fees should be set  
4 aside in a segregated account, and ultimately placed under the control of the  
5 bankruptcy trustee, once one is appointed. (Balabanian Decl. Exs. 1, 2.)<sup>2</sup>

6 6. Edelson has made its position known in writing to the debtor, by way of  
7 an email to its counsel. (Balabanian Decl. ¶ 3 & Ex. 1), and also counsel for the  
8 Petitioning Creditors (*Id.* ¶ 4 & Ex. 2). While Edelson initially believed that, upon  
9 being informed of the misstatements and Edelson's actual intentions with respect to  
10 the attorneys' fee portion of the Abikzer settlement, Petitioning Creditors would  
11 promptly correct the misstatements, they have, without explanation, refused to do so.  
12 (*Id.* Ex. 3.)<sup>3</sup>

13 7. To the extent an Order is entered in connection with the Emergency  
14 Motion Edelson requests that said Order note for the record the misstatements made  
15 by the Petitioning Creditors regarding Edelson.

16 Respectfully submitted,

17 EDELSON PC,

18  
19 Dated: December 30, 2020

By: /s/ Rafey S. Balabanian

20 Rafey S. Balabanian (SBN 315962)  
21 rbalabanian@edelson.com

22 <sup>2</sup> In specific response to the statement that "Edelson now challenges GK's rights to  
23 payment," while that may be, it doesn't impact Edelson's view that the bankruptcy  
24 trustee is best positioned to preside over the ultimate disposition of the fees recovered  
as part of the Abikzers' settlement.

25 <sup>3</sup> Finally, in response to the specific allegation that Edelson has "asked the City of  
26 Los Angeles to pay the settlement directly to it," that would obviously be a mere  
27 function of the fact that the firm represents the Abikzers, and any settlement would  
necessarily be paid into the firm's trust account before disbursement to the client. In  
light of Edelson's pledge to set aside the portion of the settlement conceivably owing  
to GK, there is no risk that estate assets are being diverted.

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## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:  
Edelson PC, 123 Townsend Street, Suite 100, San Francisco, California 94107.

A true and correct copy of the foregoing document entitled (*specify*): Interested Party Edelson P.C.'s Statement  
Regarding Motion of Petitioning Creditors For Appointment of Interim Trustee Pursuant to 11 U.S.C. § 303(g)

will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. **TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF)**: Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) 12/30/2020, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page

2. **SERVED BY UNITED STATES MAIL**:

On (*date*) 12/30/2020, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☒ Service information continued on attached page

3. **SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) 12/30/2020, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☒ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

12/30/2020 Austin T. Prather  
*Date Printed Name*

/s/ Austin T. Prather  
*Signature*

Notice will be electronically mailed to:

Andrew Goodman on behalf of Petitioning Creditor Erika Saldana  
agoodman@andyglaw.com

Andrew Goodman on behalf of Petitioning Creditor Jill O'Callahan  
agoodman@andyglaw.com

Andrew Goodman on behalf of Petitioning Creditor John Abassian  
agoodman@andyglaw.com

Andrew Goodman on behalf of Petitioning Creditor Kimberly Archie  
agoodman@andyglaw.com

Andrew Goodman on behalf of Petitioning Creditor Virginia Antonio  
agoodman@andyglaw.com

Andrew Goodman on behalf of Petitioning Creditor Robert M. Keese  
agoodman@andyglaw.com

Eric D. Goldberg on behalf of Creditor Stillwell Madison, LLC  
eric.goldberg@dlapiper.com

Jennifer Witherell Crastz on behalf of Creditor Wells Fargo Vendor Financial Services, Inc.  
jcrastz@hrhlaw.com

Lewis R. Landau on behalf of Interested Party Courtesy NEF  
Lew@Landau.net

Ronald Richards on behalf of Interested Party Courtesy NEF  
ron@ronaldrichards.com

Steven T. Gubner on behalf of Interested Party Courtesy NEF  
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Timothy J. Yoo on behalf of Interested Party Courtesy NEF  
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Richard W. Esterkin on behalf of Interested Party Courtesy NEF  
richard.esterkin@morganlewis.com

United States Trustee (LA)  
ustpreion16.la.ecf@usdoj.gov

Edith R. Matthai on behalf of Interested Party Courtesy NEF  
ematthai@romalaw.com

Notice will be mailed via U.S. Mail to:

Thomas Girardi  
1126 Wilshire Boulevard  
Los Angeles, CA 90017

Girardi Keese  
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Leonard Pena  
PENA & SOMA, APC  
402 S. Marengo Avenue, Suite B Pasadena, CA 91101